DOCUMENT RESUME

ED 478 886 CE 085 298

AUTHOR Glonti, Kote; Ejibadze, A.; Nanobashvili, K.; Mickaia, L.; Natsvlishvili, E.; Imedashvili, M.; Mikeladze, A.

TITLE National Observatory Report on Vocational Education and Training in Georgia.

SPONS AGENCY European Training Foundation, Turin (Italy).

PUB DATE 2002-00-00

NOTE 42p.; Produced by the National Observatory of Georgia.

AVAILABLE FROM For full text: http://www.etf.eu.int/WebSite.nsf/Pages/D835AAABC426DCA3C1256CF600604200/$FILE/Str-Georgia-en.pdf. Also available in Russian: http://www.etf.eu.int/WebSite.nsf/Pages/384A6D11BA4A72F1C1256D720 0526234/$FILE/GEOR_NAT_VET_02_RU.pdf.

PUB TYPE Reports - Descriptive (141)

EDRS PRICE EDRS Price MF01/PC02 Plus Postage.

DESCRIPTORS *Academic Standards; Continuing Education; Curriculum; Economic Change; *Education Work Relationship; *Educational Administration; *Educational Environment; *Educational Finance; Educational Legislation; Educational Policy; Educational Research; Employment Patterns; Employment Qualifications; Foreign Countries; Labor Market; Postsecondary Education; Secondary Education; Teacher Education; *Vocational Education; Vocational Education Teachers

IDENTIFIERS *Georgia Republic; Informal Economy

ABSTRACT

The state of vocational education and training (VET) in the Georgia Republic in 1999-2000 was examined. The study focused on the following topics: (1) the socioeconomic context of VET; (2) Georgia's labor market (the current labor market situation, employment, unemployment); (3) management of VET (legislation and policy, responsible bodies, financing of VET); (4) Georgia's VET system (initial training, continuing education and training of managers, training of teachers and masters); and (5) skills and standards (skill demands and standards, curricula, research). Selected findings were as follows: (1) Georgia has encountered many political and socioeconomic difficulties during its transition to a market economy, including problems related to or stemming from privatization, foreign trade, the informal economy and corruption, tight monetary policy, aging of the population, and migration; (2) Georgia is plagued with a poorly organized labor market, high unemployment levels, low income levels, and a training system that remains rigidly organized and does not meet the needs of Georgia's new economy; (3) Georgia's severe economic problems have resulted in significant under-funding of all education, including VET, leaving vocational schools struggling to survive; (4) like Georgia's centrally planned economy, its VET system was unprepared for transition to a market economy; and (5) no research on VET has been conducted in Georgia. (Contains 12 tables.) (MN)

Reproductions supplied by EDRS are the best that can be made from the original document.

ED 478 886

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

J. Austey

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

1

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

- This document has been reproduced as received from the person or organization originating it.
- Minor changes have been made to improve reproduction quality.
- Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

National observatory of Georgia

Vocational education and training in Georgia 2002

This report was produced in the context of the National Observatory Network established by the European Training Foundation

European Training Foundation

CE 085 258

2

The National Observatory of Georgia is part of a network of similar institutions in the countries of Central and Eastern Europe, the New Independent States and Mongolia.

European Training Foundation

The network was established by the European Training Foundation, an agency of the European Union, which works in the field of vocational education and training in Central and Eastern Europe, the New Independent States and Mongolia, as well as the Mediterranean partner countries and territories. The content of this report is the responsibility of the author. The views expressed herein do not necessarily reflect those of the European Training Foundation.

National Observatory report on vocational education and training in Georgia

Report prepared by:
National observatory of Georgia
With the co-operation of the Ministries of
Education and Labor, Health Care, Social Welfare

Team Leader: Kote Glonti
With contributions from A. Ejibadze, K. Nanobashvili,
L. Mickaia, E. Natsvlishvili, M. Imedashvili, A.Mikeladze

Tbilisi - 2002

Introduction

The objective of this report is to provide a general picture of vocational education and training in Georgia for the years 1999-2000. The report also provides information and data on the country's demography and economic conditions including the labour market, employment and unemployment. This report builds on and includes changes occurring after the 1997 assessment.

Following the collapse of the Soviet Union, major changes took place in Georgia as it adopted more democratic political and economic systems. However, the initial change from a socialist to a market economy brought major economic sectors to a halt.

This has clearly affected the role of the education system particularly as the country was and still is in deep economic recession. Education in the country not has only to meet its traditional demands with poor financial resources but also has to cater for the needs of a society in the process of modernisation and a changing labour market.

In the early stages of the economic transition, one school of thought was that the process of serious economic reconstruction and flow of labour resources from one sector to another would continue over a long period. It anticipated large-scale unemployment that would in turn create a demand for vocational education (short-term or retraining courses). Another group of experts, however, foresaw a decline in the traditionally developed economic sectors which would result in unemployment and a decreasing demand for the education and training of highly skilled employees. Both prognoses were partially realised with negative consequences for the development of vocational education and training.

Given the economic stagnation and the lack of a strategy to manage the problem, vocational education and training faced the choice of collapsing altogether or finding a new approach. Georgia chose to adapt vocational education and training to the needs of the new socio-economic conditions following the experiences of other post-Soviet and eastern European countries. While some of the vocational education and training institutions and training and retraining centres closed down others rose to the challenge of the new requirements by establishing close relations with labour offices. In this way, vocational training institutions took on new functions. These were supported by a 1998 law on initial vocational education and training and other changes in labour legislation. Currently, vocational education is actively involved in the training or retraining of the unemployed.

Legislation has prompted some changes such as further encouraging the private sector to provide customers for vocational education and training. There were 60 private vocational education and training courses at the end of 2000 - an constant but slow increase.

The number of vocational education and training students within the state system decreased from 10,027 in 1995 to 3,420 in 1999. The number of students financed by the state decreased sharply from 1995 to 1999 (Table 1).

Table 1: Enrolment in vocational education and training

Source of financing	1995	1996	1997	1998	1999	Comparison of data from 1999 to those of 1995
Financed by the state	10,027	10,407	8,767	3,870	3,420	-6,607
Financed by the contracts	889	1,427	2,024	3,582	3,800	-2,911
Total	**10,916**	**11,834**	**10,791**	**7,452**	**7,220**	**-3,696**

Source: Ministry of Education statistics

The marked decline of state industrial employment was not compensated by any increase in the private sector. As a result the number of industrial occupations taught in vocational education and training institutions decreased from 356 in 1990 to 26 in 1999, from 97 to 62% (Table 2).

Table 2: Structure of vocational education and training employment

	1990	1999
Total	368	42
Among them:		
Industrial occupations	356	26
Occupations supporting self-employment	12	16

Source: Ministry of Education statistics

The major factor influencing the labour market and vocational education was the change in the employment structure caused by a wider range of occupations including new demands and skills. For example, the number of occupations supporting small businesses and self-employment increased to 38%. Financial deficit and a temporary decrease in demand for skilled workers led to an amalgamation of some vocational education institutions with the result that in 1999 there were 86 compared to 122 in 1995 (Table 3).

Table 3: Number of state vocational education and training institutions

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Number of institutions	158	154	145	139	127	122	110	108	101	86
In penitential system	8	6	5	5	4	3	3	3	3	3

Remark: 19 institutions are self-financed.
Source: Ministry of Education statistics

BEST COPY AVAILABLE

During the early part of the transition, the private sector absorbed employees made redundant by the state sector but lacked the financial resources to introduce modern technology or invest in their training or retraining. The demand for training was fuelled by individuals in various economic sectors who saw it as a means to increase their opportunities for better employment or self-employment. This demand stimulated changes in vocational education and training, and created the first fee-paying vocational training courses.

Privatisation increased unemployment. Initially, this did not have a serious impact on the labour market as redundancy payments were too costly for employers, and workers were therefore not made redundant. But since then there have been more workers in the informal economy. This has had a negative impact on vocational education and training.

With the introduction of economic reforms there was a decrease in employment from the industrial sector, which was compensated by a rise in employment in other economic sectors such as trade, transport, communication and services. However, this change also reflected a change in skills as those with industrial and low skills were not needed in the labour market.

Under the Soviet system, education was treated as a social category with the broad aim of developing individuals. But in the prevailing market economy in Georgia, the objectives of general and vocational education have widened to relate to the changes in the labour market. As such, a programme on the reorganisation and improvement of vocational education and training has been drawn up to meet these needs. The programme would require a continuous monitoring of the labour market and close co-operation with stakeholders such as employment services, employers and trade unions.

Statistical analyses of the labour market in 1999 give a clear picture on the trend of the last two years (table 4). Data from the State Department for Statistics shows that unemployment is at 13.8%. One-third of the unemployed are young people; 30% of the unemployed (51% in the capital, Tbilisi) have higher education qualifications and 40% have secondary education. Only 12% of the unemployed have a vocational education qualification.

There are 5,026,000 young people in Georgia between 15 and 24 years of age and 37% are economically active. The share of economically active young people is high in Tbilisi and Imereti despite the fact that one-third of those unemployed are 15 to 24 years old and the majority live in Tbilisi and Imereti.

Analyses of unemployment by age show that more than 45,000 are from the 15 to 24 age group. Again, the rate of unemployment is highest in this age group in Tbilisi (51%) and in the Imereti region. There is 20% unemployment in this age group in Imereti and 12.5% in Tbilisi.

The unemployment figure for this age group, at 24.6%, is almost twice that of total unemployment. Fewer young people go on to tertiary education after obtaining their basic (9th grade) or secondary education. In recent years about 18,000 young people completing their 9th grade (basic school) and 37,000 their secondary school education have not chosen to continue their studies. These young people enter the labour market with no skills and are unlikely to find jobs. This fact should underscore the future objectives of vocational education and training.

The percentage of young people in paid work is about 50% of the age group. This means either that there is not enough support for youth employment or that this form of employment is less attractive to them.

However, it is interesting and important to note that self-employment is much higher (72%) among young people compared to 56% for other age groups. This reflects not only a high activity level among young people but also skill flexibility. Vocational education and training should be able to develop courses to support the self-employment of young people.

Table of contents

Introduction ..... **iii**

Chapter 1. Socio-economic background **1**

1.1 Economic development 1

1.2 Demography 6

Chapter 2. Labour market **9**

2.1 Current labour market situation 9

2.2 Employment 13

2.3 Unemployment 15

Chapter 3. Management of vocational education and training **19**

3.1 Legislation and policy 19

3.2 Responsible bodies 21

3.3 Financing of vocational education and training 23

Chapter 4. The vocational education and training system **25**

4.1 Initial training 25

4.2 Continuing education and training of managers 30

4.3 Training of teachers and masters 32

Chapter 5. Skills and standards **33**

5.1 Skill demands and standards 33

5.2 Curricula 34

5.3 Research 35

Chapter 1.
Socio-economic background

1.1 *Economic development*

Georgia has encountered many political and socio-economic difficulties during its transition to a market economy. The economic slump of the 1990s had disastrous effects on its national economy. The Ministry of Economy, Industry and Trade estimated the 2000 Gross Domestic Product at only 40.1% of the 1990 figure. Industrial production was estimated at 16.4% - similar to that in 1990 - agricultural production at 67.7% and investments in fixed capital at 5.7%. Fixed capital valued at GEL 405 million (USD 205.1 million) between 1995 and 1999 has since depreciated to one-eighth its original value. The year 2000 showed poor financial, industrial and agricultural gains. This can be attributed to corruption, contraband and a large informal economy as well as unforeseen factors such as the drought that destroyed 70 to 95% of the harvest in the eastern and central regions contributing to a loss of about half a billion GEL in agriculture and energy sectors.

Privatisation

The privatisation of state institutions continued in 2000 in accordance with the 1998-2000 plan. Currently sectors undergoing privatisation include fuel and energy, communication (telecommunications), transport and public services.

Information from the Ministry of State Property showed that in 1999 the state received GEL 52 million (almost USD 26 million) from the privatisation of its property. But for July 2001, the state received only GEL 18 million (USD 9 million). In total 14,756 state entities have been privatised (Table 4)

Table 4: Privatisation Figures

Regions (cities)	Registered subjects	Total privatised	Privatised in 2000	Total cancelled units	Cancelled units in 2000
2	3	4	5	7	8
Total in Georgia	13207	14756	290	1643	0
Aphkhazeti	2	0	0	0	0
Adjara	309	159		0	0
Tbilisi	4467	4656	153	0	0
Guria area	310	412	0	71	0
Svaneti	165	240	0	50	0
Samegrelo-Zemo Svaneti area	1097	1452	6	278	0
Poti	256	350	3	42	0
Imereti area	2643	2846	36	581	0
Kakheti area	1057	1208	9	182	0
Tskheta-Mtianeti area	306	344	67	71	0
Samskhe-Javakheti area	568	803	17	95	0
Kvemo-Katrli area	1105	1353	35	154	0
Shida Kartli area	807	912	14	161	0
Ministry of state property	371	371	13	0	0

Source: Ministry of Trade, Industry and Economy

However, the Ministry of Economy, Industry and Trade has reported that the privatised sector is performing poorly with 70% of companies idle and the rest operating on a small turnover. This poor performance can be attributed to the lack of managerial and marketing skills. Current inefficient training and retraining courses in effect aggravate the problem. This indicates that vocational education and training needs to be restructured.

Foreign trade

Turnover for foreign trade was less pessimistic. The export growth rate is estimated at 138.5% with imports rising by 16.3%. Registered trade turnover for 2000 reached USD 1,030.1 million of which USD 329.9 million was revenue from exports and USD 700.2 million from imports. This brought the country's trade deficit down to USD 30.3 million from US$42.9 million in 1999. If this trend continues, Georgia is likely to have a smaller trade imbalance that can only benefit its national finances.

The country's export structure based on the export of raw materials and few industrial products has seen little change in the past three years. So there is still a negative tendency towards the decrease of export of finished products and an increase the share of raw-materials in the total. Comparisons of

BEST COPY AVAILABLE

Table 4: Privatisation Figures

Regions (cities)	Registered subjects	Total privatised	Privatised in 2000	Total cancelled units	Cancelled units in 2000
2	3	4	5	7	8
Total in Georgia	13207	14756	290	1643	0
Aphkhazeti	2	0	0	0	0
Adjara	309	159		0	0
Tbilisi	4467	4656	153	0	0
Guria area	310	412	0	71	0
Svaneti	165	240	0	50	0
Samegrelo-Zemo Svaneti area	1097	1452	6	278	0
Poti	256	350	3	42	0
Imereti area	2643	2846	36	581	0
Kakheti area	1057	1208	9	182	0
Tskheta-Mtianeti area	306	344	67	71	0
Samskhe-Javakheti area	568	803	17	95	0
Kvemo-Katrli area	1105	1353	35	154	0
Shida Kartli area	807	912	14	161	0
Ministry of state property	371	371	13	0	0

Source: Ministry of Trade, Industry and Economy

However, the Ministry of Economy, Industry and Trade has reported that the privatised sector is performing poorly with 70% of companies idle and the rest operating on a small turnover. This poor performance can be attributed to the lack of managerial and marketing skills. Current inefficient training and retraining courses in effect aggravate the problem. This indicates that vocational education and training needs to be restructured.

Foreign trade

Turnover for foreign trade was less pessimistic. The export growth rate is estimated at 138.5% with imports rising by 16.3%. Registered trade turnover for 2000 reached USD 1,030.1 million of which USD 329.9 million was revenue from exports and USD 700.2 million from imports. This brought the country's trade deficit down to USD 30.3 million from US$42.9 million in 1999. If this trend continues, Georgia is likely to have a smaller trade imbalance that can only benefit its national finances.

The country's export structure based on the export of raw materials and few industrial products has seen little change in the past three years. So there is still a negative tendency towards the decrease of export of finished products and an increase the share of raw-materials in the total. Comparisons of

BEST COPY AVAILABLE

data from 1999 and 2000 reveal that export of ferrous alloys decreased from 8.4 to 4.2%, concentrates and ore from 5.3 to 4.5%, etc., but the share of ferrous metal remnants rose from 9.9 to 11.5% and manganese and concentrates from 0.1 to 3.6%. It would be more profitable for Georgia to process its raw materials for export since it has the capacity for local production.

Similarly, the import structure remained unchanged for the several years. Registered imports in 2000 were as follows: natural gas, oil, and electricity - 19%; cars and mechanical equipment including communications equipment - 18.4%; food products - 10.6%; chemical products including pharmaceutical products, perfume and cosmetics - 10.6%; transport (cars, planes, etc.) - 7.4%; metals - 4.4%; and others - 20.5%.

The service sector (mainly Black Sea tourism) has shown a more positive trend. In 1996 it earned an estimated USD 98 million and earnings increased by more than half in 1997 to USD 168 million and almost half as much again in 1998 to USD 365 million. In 1999 this sector was affected by Russian fiscal problems and earnings were down to USD 217 million. Estimates for 2000 show that the service sector has increased earnings by 15% amounting to more than USD 250 million.

Georgian trade turnover with the New Independent States increased by 14% from 1999 to 2000 and is estimated at about USD 357.8 million or 34.7% of total turnover. The export share is 41.3% and the import share 31.6%. As the New Independent States make up the major market for Georgian products, Georgia was affected by Russia's fiscal problems and rouble devaluation. In 1999 its share of export to the New Independent States was 45% while in 2000 it dropped to 41.3%.

Official figures show that foreign investment in the country increased from 1996 except for 1999 when only GEL 134 million (USD 67.8 million) was invested or a third of the amount in 1998. This was because the construction of the Baku-Supsa pipeline and Supsa terminal ended. The investment estimate for 2000 is low at USD 119 million involving investors from United States, Turkey, United Kingdom and Germany interested in the oil and mining industries. American investments were mainly used for the construction of the Baku-Supsa pipeline and German investments for rebuilding energy and tea production.

Sectors that attract investors are energy, the processing industry, transport and communication. There are plans for rebuilding power stations with German and Japanese investment.

Implementation of projects for the trans-Caucasian railways will improve transit routes, competition and meet demands for international transport.

Informal economy and corruption

The Ministry of Economy, Industry and Trade is aware that modern economic reform in Georgia is thwarted by the strength of the informal economy and its ties with legal business. The post-Soviet informal economy has evolved thus:

- Between 1991 and 1995 the informal economy was not only less destructive but vital to the physical survival of the population. As such, the authorities did not take any strong measures to stem it.
- Between 1995 and 1999 the informal economy had more destructive effects on the formal economy. While political stabilisation and some measures implemented by the Georgian government have hampered the development of the informal economy there is still much to be done. Those involved in illegal activities have been able to adapt to the new changes and have established strong corrupt relations with the authorities.

In recent years, there have been attempts, albeit ineffective, to institutionalise the informal sector though this is likely to increase the scale of corruption. Corruption is the strongest barrier to the country's economic development.

The above-mentioned factors account for the small increase in the Gross Domestic Product in 2000, estimated at 1.9% more than 1999 (GEL 6186.9 – USD 313.2 million). This is the smallest increase since its first economic growth in 1996 This poor performance can probably be attributed to the exceptionally poor harvest caused by the drought that year. If agriculture is excluded from the calculation then the growth in Gross Domestic Product is estimated at 106.6%. Data from the State Department for Statistics in 2000 gave the following breakdown: hotel and restaurants - 66%; trade - 57%; construction - 55%; industry - 40%; transport - 37%. Data provided by the Ministry of Economy, Industry and Trade show that the informal economy increased significantly in the developing sectors. The conclusion is that many businesses are operating illegally.

Official statistics for 2000 show that the value added by agriculture, forestry and fishery fell by 12.6% compared to 1999. This decrease is valued at GEL 200 million (USD 100 million). Agriculture, forestry and fisheries continue to form the major sectors of the national economy despite their losses in 2000. The Gross Domestic Product breakdown is as follows: agriculture, forestry and fisheries - 21.1%; industry - 18.2%, an increase of 0.4% from 1999; transport - 11.6%, an increase of 1.8%; trade sector - 11.8%. In 2000, the ratio of Gross Domestic Product to the average price index (of the previous year) was 106.9%, which is down by 2.6%.

Monetary policy

In 2000 the Georgian National Bank continued to implement a tight monetary policy. The bank continued giving credit for 91 days to customers. However, the reduction in interest rates means the bank is less likely to attract deposits as lending resources. Most bank loans are short-term loans for the service sector.

The main platform for the country's economic stabilisation was to keep the inflation rate below 8% and to implement a tight monetary policy. Following the Policy trends for monetary-credit and currency for 2000, consumer prices fell for the period February-July 2000. The annual inflation rate was 4.6%, below the anticipated 6%.

In 2000 and 2001 the annual inflation rate fluctuated between 5 and 6%. Some internal and external risks could hamper the implementation of the policy. The main internal risk factors include low budget revenues and interest on external loans. The national currency exchange rate was still stable in 2000 at the average exchange rate of USD 1 to GEL 1.975. The banking sector showed some changes with some banks amalgamating and bringing the total number to 330. A two-tier banking system was introduced and interest rates reduced. It is expected that the banks will continue to give short and medium term loans. Its service sector is likely to increase. Availability of long-term financial credit from the banks depends on the amount of credit lines and financial support given to Georgia.

The banking sector's share of the Gross Domestic Product was 4.5% in 2000. This could have been more during transition period. This low figure can be attributed to the significance of the informal economy as its financial transactions stay out of the banking sector.

Monetary supply to the national economy followed the rise in the economy and was made available through government credits and the purchase of the national currency.

In order to maintain the solvency of the Georgian Lari, the National Bank increased its reserve by 26% by buying USD 74.9 million and supplying the government with USD 135.5 million in credit.

Monetarisation levels for M2 and M3 (see annex) reached 6.4 and 10% respectively which are comfortable figures within the framework of a developing country.

A stable exchange rate, increasing confidence in banks and an adequate money supply have stimulated a growth in bank deposits which in 2000 increased to GEL 122.7 (61.7%) in commercial banks. Bank interest rates are still falling and this is likely to stimulate small and medium sized enterprises.

Generally, the banks in Georgia face three problems which the National Bank has to solve. These are:

- the low level of bank capitalisation;
- the need for greater confidence in banks; and
- the large informal economy whose financial transactions are bypassing banks.

These factors obstruct the banks' access to more financial resources and in turn limits their ability to give credit or loans for businesses.

The development of a dollar ratio which was 78.4% on 1 December 2000 gives a negative impact as it is undoubtedly a reflection on the low confidence in the national currency and a need to avoid currency risk.

Regional economic development

Georgia's socio-economic crisis has shown wide gaps in the economic development of the various regions. There is a need to improve regional management by taking into account such factors as increasing investments and improving communication facilities among others. Currently, Georgia has two autonomous republics, 12 zones, 63 regions and eight municipalities. The president appoints all executive posts - the representatives who govern the zones, the governors of each region and the mayors who run the municipalities. There are on-going discussions in Parliament to open these posts for elections.

Generally there was an improvement in 2000 in industrial production - in Tbilisi by 25.9%, Kvemo Kartli by 14%, Kakheti by 10.4% and Mtskheta-Mtianeti by 9.4%. From the total increase in Kvemo Kartli, 50% of the rise in production (valued at USD 11 million) is thanks to large factories in the zone such as the J/S Company producing "Georgian Sugar" with more than 500 employees. In 2001, there were 16 new private factories creating 150 jobs. However, a reduced demand for products from Imereti and Racha-Lechkhumi caused their production figures to fall by 8 and 15% respectively.

The agricultural sector suffered from the drought in 2000 which wrecked the harvest. Estimates from the Ministry of Economy, Industry and Trade place the losses in Kakheti at about USD 100 million, Shida Kartli at US$27 million and Samtskhe-Javakheti at US$25 million.

However the trade and service sectors enjoyed growth rates in 2000 as follows:

- 11.2% in Tbilisi
- 15.5% in Samtskhe-Javakheti
- 35% in Racha-Lechkhumi and Kvemo Svaneti
- 43.1% in Mtskheta-Mtianeti.

1.2 Demography

Overall Situation

Data from the State Department for Statistics showed that Georgia's population remained stable from 1989 (5,400,100) to 1999 (5,402,100). But in 2000 the population decreased by 5.6% to 5,100,500 compared to 1989. As Georgia's natural growth rate has slowed down and more than half a million people are estimated to have emigrated, this figure does not reflect the real situation in the country. In 1989 the birth rate was 16.7 per 1,000 and mortality rate was 8.6 per 1,000. In 1999 the birth rate was 8.9 per 1,000 and the mortality rate was 8.8 per 1000. This shows a sharp drop in the birth rate which means that there is now near zero natural growth (Table 5)

Table 5: Natural Growth Rate

	1969	1979	1989	1996	1999
Population (thousands)	4,662.2	4,993.2	5,400.8	5,428.6	5,100.5
Birth rate per 1,000	18.7	17.8	16.7	11.1	8.9
Mortality rate per 1,000	7.5	8.3	8.6	7.1	8.8
Natural growth rate (%)	11	9.5	8.1	4	0.1

Source: State Department for Statistics

As experience from other countries has demonstrated, in the immediate post-war period socio-economic progress is often followed by a period of so-called "demographic compensation" when the number of marriages and births increases. This was also Georgia's experience. However, following this period there was large-scale migration from the country triggered by poor economic conditions. The latter were also reflected in the low birth rate, which has been falling for the past 30 years and has reached a critical point.

Age structure

Data from the State Department for Statistics reveal a changing age structure in the country. The number of retired people increased to 21.6% in 2000 compared to 15.7% in 1998 and 16.3% in 1999. Conversely, the number of people between 15 and 30 years of age is 5.1% less than 1998.

The demographic load (the ratio of individuals of working age to those outside working age) was estimated at 773 individuals in 200[illegible]e employment structure has also changed. In 1990 the ratio was 2.9 people outside working age for each person within working age. In 1995 this ratio was 4.6 and in 2000 it was 8.3.

Migration

While the rate of migration has fallen markedly since the first half of the 1990s, Georgia still has a net loss with more emigrants than immigrants (Table 6).

BEST COPY AVAILABLE

Table 6: Migration (per 1000)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Immigrants	20.0	16.6	8.0	12.6	12.7	5.7	1.2	0.4	0.4	0.4
Emigrants	58.8	60.6	49.6	38.9	44.2	25.9	12.9	0.9	0.6	1.3
Migration growth	-38.8	-44.0	-41.6	-26.3	-31.5	-20.2	-11.7	-0.5	-0.2	-0.9

Source: State Department for Statistics

Most migrants are economic migrants. It is important that the authorities try to deal with this issue. Regulation of labour migration will help redress the imbalance in the supply and demand of the labour force in the various regions, protect the national labour market as well as give social and labour protection to employed migrants, etc. More economic migrants were expected in Georgia in 2001, encouraged by the introduction of visas between Russia and Georgia. Internal migration is also expected to continue as a result of disparities in regional development and the closure of Russian military settlements affecting the employment of thousands of Georgians. All these factors will affect the current labour market and have a negative impact on demography.

Urban and rural population

More than half of the country's population live in urban areas. The urban population has been growing since the 1980s and by1992 it was 56.7% (23.1% in Tbilisi). In 2000 the urban population was 57.8% (Table 7).

Table 7: Population in urban and rural areas

	Population (thousand)	Urban %	Rural %
1980	5,507.3	52.3	47.7
1990	5,460.1	56.1	43.9
1992	4,869.6	56.7	43.3
1996	5,428.6	55.6	44.4
1999	5,100.5	57.8	42.2
2000	4,604.2	57.8	42.2

Source: State Department for Statistics

BEST COPY AVAILABLE

Chapter 2.
Labour market

2.1 *Current labour market situation*

Overall situation

The labour market in Georgia is not well organised due to prolonged post-transition structural reforms and inefficient regulation. As such there is no integrated labour market, but several local labour markets with their own supply and demand structure. In 1996 the Ministry of Social Welfare, Labour and Employment developed the programme "Main trends of Social Welfare of the Georgian Population for 1996-2000". Only two of the seventeen measures from the programme were implemented. The first involved the preparation and presentation to Parliament of a new employment law and the second related to the structural reorganisation of the employment service.

Employment in the country decreased by 37.2% between 1990 and 1999. As can be expected, many in the economically active age group left the country to find work. Estimates from independent experts place the number of emigrants at between 0.5 and 1 million. The net loss from migration was further aggravated by the low birth rate, which reduced the supply of labour. From 1997 to 1998, there were 203,300 less workers and from 1998 to 1999, 16,300 less. Thus the demand for labour was greater than the supply which reflected on employment and level of economic activity in the country.

Employment

In 2000, 44.8% of the population were economically active compared to 50.6% in 1990. For the group above the age of 15 it was 66%.

Official statistics reveal that 1,840,000 people within the economically active age group were employed in 2000. The number of employees fell by 18.1% from 1996. Except for agriculture, employment in all other sectors decreased. From 1998 to 2000 the agricultural sector provided jobs for 903,200 workers, an increase of 8% or 52.1% of total employment.

Hired employment

Amongst those in employment, the share in paid employment (defined as those receiving wages or other benefits in recompense for the work done) was 37.2%, self-employment was 55.8% and others (undefined employees), 6.1%. The self-employment figure is high because it includes economically active family members who have access to a hectare or more of land. (However there is no information as to whether these people make a living from the land). It would thus appear that unemployment is higher in urban areas at 24.8% than in rural areas at 4.4%. But it is likely that more jobs are available in urban areas than rural areas.

The share of paid employment is particularly low in traditional agricultural regions like Guria (23.4%), Kakheti (25.1%) and Samegrelo (25. 9%). These areas grow grapes, tea and citrus fruits. However, falling demand has seriously affected production levels.

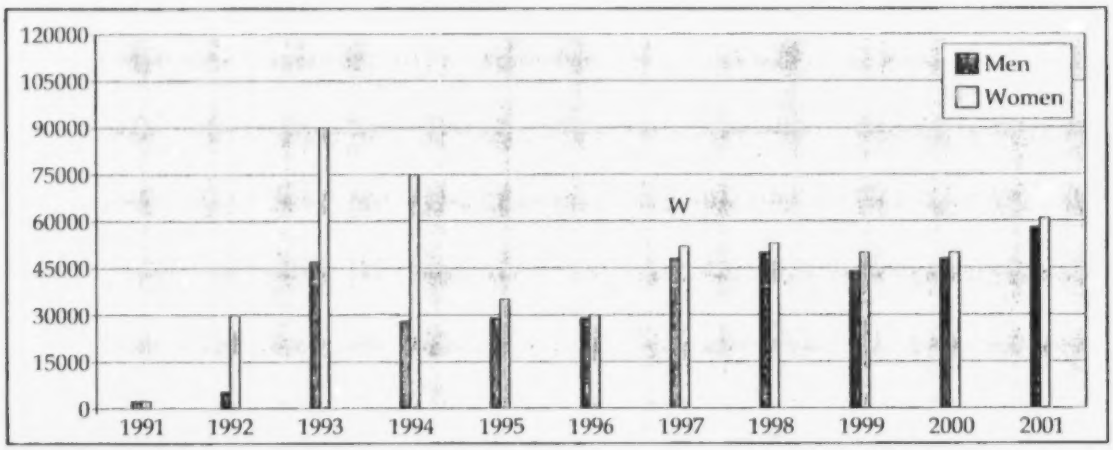
Most paid employees (63%) work in the state sector which means that the development of employment opportunities in the private sector is severely restricted.

Unemployment

By Gender

Official statistics show that in 2000 unemployment was higher among men (15.3%) than among women (12.1%). But it would be superficial to conclude that more women than men are employed, as the share of women "outside the labour force" is larger than that of men. The ratio of women in the economically active population is 2.2 times more than that of men. (The gender ratio of women to men in Georgia is 1:1). The percentage of women employed in family businesses without an income is 40.2% and for the men, 21.4%.

Fig. 1: Unemployment by gender 1991-2001



By age group

Unemployment is higher in the 20 to 25 age group (28.8%) than amongst the 25 to 29 age group (22.5%). It is obvious, that as the population ages, the level of economic activity increases too. One reason for that is the higher activity level of higher age group (the majority of young people study and work at the same time). Other reasons could be their demand for better labour conditions, lack of working experience etc (the majority of those in the 20 to 25 age group either study, or have just graduated. Furthermore, the younger generation demand and expect more from their jobs. They usually refuse to work if they think the job does not suit their professional and ambitious demands. They also consider the salary and refuse to work with difficult labour conditions. While those in the older group, having the families to feed cannot afford to refuse most kinds of work and often agree to work in almost any conditions).

BEST COPY AVAILABLE

Income

The income of the majority of employees is lower than the living wage. The average monthly income per person in 1998 was USD 23.4 and in 1999, USD 24.1. The living wage was USD 51 and USD 57.4 respectively. The average monthly revenue in rural areas is more than that in urban areas. In 1998, the wages and benefit in kind for rural workers was USD 25.2 compared with USD 22 in urban areas. In 1999 this was USD 27.1 for rural workers and USD 22 for urban workers.

Table 8: Poverty in figures and shares

	Living wage	Medium consumption
1997		
I quarter	106.0	126.3
II quarter	110.4	126.8
III quarter	101.1	100.5
IV quarter	103.6	117.1
1997 average	105.3	117.7
1998		
I quarter	103.9	102.6
II quarter	105.5	103.5
III quarter	96.5	95.9
IV quarter	100.5	109.6
1998 average	101.6	102.8
1999		
I quarter	117.8	122.7
II quarter	124.3	106.1
III quarter	109.9	104.7
IV quarter	111.3	119.7
1999 average	115.8	113.3

Source: State Department for Statistics

Revenue from self-employment was half that of other employees. The limited availability of technical equipment does not encourage self-employment (see annex). Those people who do have access to it are often unable to work it. They have neither the skills themselves, nor the money to hire others who do have them. Such conditions often lead to these people not working or looking for paid employment, rather than becoming self-employed.

In 2000, only 4,783 people received unemployment benefits totalling GEL 336,100.

BEST COPY AVAILABLE

Fig. 2

Economic prospects

The Ministry of Finance expects Gross Domestic Product to increase by 3 to 4%. with state expenditure increasing to USD 558.6 thousand or GEL 1,117.3 million. Inflation is expected to be at between 5 and 6% and the budget deficit at 4%. Generally, the economic situation was better in 2001 than 2000. The government's economic policy is reflected in the labour market. There are plans to reduce the number of state sector employees by 10%. This will improve the employment structure in state and private sectors but it will also increase unemployment.

The planned construction of the Baku-Tbilisi-Jeihan pipeline and other international projects, if they take place, will create 400,000 new jobs.

Legislation

The Commission for State Programmes and Management of Health Care and the Social System has approved a programme on social welfare for the unemployed and support for employment. The programme's goal is to analyse current employment problems. It recognises the importance of a comprehensive market assessment and supports the implementation of a state employment policy.

The state policy aims at creating new jobs and retaining existing ones through measures such as supporting employers' investment activities, restructuring and institutional development. However these goals are difficult to realise without comprehensive data on the labour markets in the country and sector development projections. As such the first step should be a labour market assessment to identify gaps in the supply of labour for the emerging economic sectors.

Information from the labour market shows that in 2001 the government will continue to subsidise jobs for enterprises that restructure.

The government has approved plans to provide partial subsidies of GEL 25,000 (USD 12,135) for vulnerable groups involved in entrepreneurial activities. Such subsidies for those registered unemployed are limited to GEL 5,000 (about USD 2430). In September 2001, there were 31 subsidised projects creating 736 jobs.

The employment law gives priority in its protective measures to the following categories: mothers with many children, young people who are first-job seekers, the disabled and long-term unemployed. The state is legally obliged to create special work places, specialised enterprises, and programmes to help them. Self-employment programmes for the disabled receive state support. Thus career guidance and vocational training should be improved to help these groups of people.

Companies and organisations employing workers from these categories will also receive financial support. The pilot programmes for job creation will be implemented in the regions, mostly the high mountain areas where unemployment and migration are double the national average. Such regions will be given a "priority development zone" status by the Ministry of Health Care, Labour and Employment. Twelve projects from these areas were given financial support in the first half of 2001.

To support the further development of state employment policy and to ensure the implementation of the above-mentioned activities, the National Board of Employment was established, headed by the President. This is a consultative body with social partners and members representing the government, trade unions, employers' unions, and non-governmental organisations.

The main aims of the board are to:

- formulate the main trends of state employment policy;

- improve the bills of law and normative acts;
- take decisions on the acceptance of foreign workers in Georgia and the regulation of labour migration; and
- participate in the formulation of general and sector agreements in the framework of social partnership.

The board is authorised to discuss employment issues and prepare projects for presentation to the president. It has the right within its framework to ask for information and materials from any local or regional authority. The board can also participate in the state privatisation process to protect employees' rights.

The President of Georgia calls for board meetings at least once a quarter and when needed. While the role of the Employment Board is crucial in helping to tackle the country's massive unemployment problem, there are doubts as to whether the Board will be effective in seeing through all its aims.

2.2 *Employment*

Official statistics reveal that there are an estimated at 1,840,000 employees in the country. Between 1990 and 2000 employment declined by 28%. However, in the past three years there has been a small increase in employment. In 1999, employment rose by 1% compared to 1998 and in 2000 by 5.8%, showing an increase of 107,400 jobs. Of these, 10.9% came via the State Employment Foundation. The economically active population increased by 2.1% in 2000 compared to 1999.

The overall employment figure appears high because it includes people who have access to land (one hectare or more) and are, therefore, defined as self-employed. Official figures on unemployment refer only to those who are officially registered. These figures would be more reliable if they could also show non-registered unemployment. There are also people who are officially defined as employed but should be regarded as unemployed because their income is only 25% of the subsistence minimum. Conversely, some people have several jobs since income from one job is insufficient and may thus be counted twice. As such, there are no accurate data on employment. There is also no official estimation of the large informal economy although there are a few independent assessments by experts.

Self-employment in the country grew between 1996 and 1997 whilst hired employment decreased. In 1999 there were 731,500 hired employees but in 2000 following the labour shortage in state-owned organisations the number of hired employees was reduced by 46,500 (6.4%). Hired employment accounts for 34.2% of total employment and self-employment for 56.7% (Table 9).

Table 9: Population Structure
Above 15 years old
By Economical Status
(per thousand)

	1999 By "loose" definition	2000 By "loose" definition
Population above 15 years old	3044.4	3149.9
EAP (labour force) total:	2009.4	2052.2
Employed, among them:	1732.6	1840.0
Hired employed	731.5	684.5
Self-employed	982.8	1043.2
Undefined employed	18.0	112.0
Unemployed, among them:	276.9	212.2
Registered	102.6	116.9
Not-registered	171.6	88.4
Population out of labour force	1036.4	1097.7
Unemployment level (percentage)	13.8	10.3

Source: State Department for Statistics

Most employees (52.1%) work in agriculture where there is a high rate of self-employment. The others are in education (8%), trade (8.9%), the processing industry (6.4%) and transport and communications (4%). However, sector development and income increase have no correlation with an increase in jobs. The 2000 share of Gross Domestic Product for transport and communications, for example, was 14.1% but employment in this sector decreased by 9.4% compared to 1999. Similarly, the trade share of Gross Domestic Product at 11.8% was accompanied by a 3.4% fall in employment in that sector. Increased sector shares in Gross Domestic Product with fewer workers but increased productivity can be attributed to modern technology. Enterprises involved in the modern economy do not necessarily create more jobs but are more likely to make workers redundant particularly those with low skills. In the near future while these changes are taking place unemployment is likely to increas

In 2000, 79.8% of those in the 15 to 25 age group were employed compared to 90.9% in age groups above 25 years of age. The 15 to 25 age group has particularly high self-employment at 2.6 times more than the hired employment figure. With this group self-employment is 6.2 times higher in rural areas than in urban areas. For age groups above 25 years of age self-employment is 55.8%.

Those with secondary education have the highest employment rate. The breakdown is as follows:

- Secondary education - 37. 8%
- Higher education - 21.2%
- Vocational education - 15.9%
- Initial vocational and incomplete secondary education - 11.8%.

BEST COPY AVAILABLE

The largest share of employment (49.6%) involved those with secondary and initial vocational and incomplete secondary education. Often these employees are in competitive low-skilled jobs with high risks of redundancy.

Given the above figures we feel it would be constructive if the State Employment Foundation and those involved in vocational education and training study the problem in depth. This should lead to target programmes for upgrading skills that will increase the employment opportunities of those currently in low-skilled jobs.

The Ministry of Health Care, Labour and Employment estimates that there will be 27,000 more job seekers in 2001. These include about 25,000 graduates from various education institutions. The active population will thus increase more rapidly than the natural population growth rate. Added to this are the labour migrants returning from Russia.

Hired employment will continue to decrease whilst self-employment increases (59.9%). As the revenue from self-employment is insufficient for subsistence this trend is not a positive contribution. The employment situation is likely to worsen as the number of state employees is expected to fall by 20,000.

Even if planned projects are realised in 2001 there is no anticipated large increase in jobs. The private sector is expected to make up the shortfall in jobs but the number of jobs generated would be insufficient to alleviate overall unemployment. As such the unemployment level would be unchanged.

To boost employment the government has introduced a plan to stimulate entrepreneurship with grants for business initiatives. The plan includes teaching entrepreneurial skills to the unemployed before they start their own businesses. Applicants need to meet the Ministry of Health Care, Labour and Social Welfare's requirements and if their proposals are accepted they will receive financial help, advice and other forms of support. The first of such businesses were launched in Imereti and Javakheti in 2001.

2.3 *Unemployment*

Data

According to official statistics the number of unemployed is decreasing. In 2000, it fell by 28% compared to 1997 and by 23.4% compared to 1999.

Unemployment was 14.5% in 1998, 13.8% in 1999 and 10.3% in 2000. By region, it fell in Tbilisi from 29.3 to 19.3%, in Imereti from 13.1 to 9.8%, and in Shida Kartli from 9 to 5.7%. However, in Adjara unemployment rose from 11.6 to 14.9% and in Guria from 8 to 10.5%.

Data from the State Department for Statistics show clearly that 83.7% of the unemployed are over 25 years of age. Thus, unemployment is twice as high for those under 25 years of age. In 1999, unemployment in this age group was 24.6% and in 2000 it was 28.3%. The trend is maintained among those registered at employment services. In 1999, 32.8% unemployed were under 30 years of age and in 2000 the figure was 33.6%.

Despite the decline in unemployment, the labour market has many shortcomings. The apparent positive trend towards decreasing unemployment in effect camouflages serious problems such as the lack of full employment, unemployment in the informal sector, long-term unemployment, an annual decrease in the labour force and a poor registration system. It is important to note that the majority of employees do not work full time and their revenue is much less than the minimum living wage.

Registered unemployment has increased. In 1998 there were 98,700 people who were registered as unemployed and in 2000 there was an 18% increase. However, the registered unemployment figure is not indicative of real unemployment. One reason for the low level of registration is that the low unemployment benefit covering only a brief period discourages the unemployed from registering. The other reason is that the unemployed have lost faith in the employment service's ability to help them find jobs. In 1999 registered unemployment was estimated to be only 37% of real unemployment and in 2000 it was 55%. The increase in registration numbers mentioned earlier can be attributed to state sector employees who were made redundant.

Vacancies

Ironically, the number of job vacancies increased at the same time as the increase in registered unemployment. In 1998, there 7,800 job vacancies listed by the employment service, in 1999 there were 18,500 but in 2000 there was a drop down to 14,393.

Table 10: Key indicators
1991-2001

Years	Registered job-seekers	Unemployed	Unemployment benefit assigned	Vacancy	Employment
1991	13,251	13,521	1,774	8,903	5,809
1992	13,642	113,215	13,239	9,698	7,266
1993	225,886	180,274	17,392	9,701	5,795
1994	75,714	65,027	10,717	3,348	2,769
1995	65,450	64,120	5,156	2,105	1,890
1996	62,343	57,732	14,584	5,380	2,569
1997	146,504	142,500	28,884	8,071	3,796
1998	101,890	98,723	5,643	8,856	7,440
1999	106,302	102,597	3,689	18,500	12,578
2000	121,702	116,889	4,783	14,393	10,353

Source: State Employment Foundation

The ratio of vacancies (this ratio refers to the amount of unemployed individuals per one vacancy) has decreased from 84 to 72. However, these jobs attract few applicants. This is because the jobs involve difficult working conditions with low income and are unsuitable for most job seekers or the jobs require special skills such as language, computer skills, etc., which are beyond the capabilities of most long-term unemployed. This group competes (this group refers to the long-term unemployment, as during their unemployment new job requirement appear. As the time passes, they loose their professional skills and of course do not get modern competences) for low skilled jobs.

To help rectify this mismatch of unemployment to available jobs the State Employment Service have launched training and retraining initiatives among the unemployed to improve their employment prospects. In 2000, the State Employment Service supported the training of 3,400 unemployed people. In 2001, a budget of USD 50,000 was allocated for this purpose. Training and retraining are now more on target. For example, two enterprises in Tbilisi (Package Service Ltd. and Paper Mill)

BEST COPY AVAILABLE

are training 133 people who will be employed in the companies when their training ends. The Professional Accountant and Audit Federation are training 60 accountants and on completion some of them will be employed by the Federation. There is also support from the United States Agency for International Development for the training of some of the unemployed in four occupations in Kutaisi with expected employment after training. Some 90 people who had been selected after tests will be retrained in Mstkheta-Mtianeti and Kvemo Kartli zones by the non-governmental organisation "Agency for Strategic Business Development". They will be taught the "Basics in Entrepreneurship" and will be advised by consultants on starting businesses. To support the self-employment of young highly skilled specialists in Tkibuli (Imereti zone), 100 unemployed specialists will receive training in agate technology at the milling vocational education and training institutions.

In the previous socialist economy the training of specialists was rigidly organised and did not include the business plans necessary in the current modern economy. The new training and retraining of specialists and others will fill this gap so that demands in the labour market can be assessed and fulfilled to help national economic development.

Chapter 3. Management of vocational education and training

3.1 *Legislation and policy*

The new law on initial vocational education and training was refined and approved in December 1998. It took into account the comments and recommendations from the European Training Foundation, other international experts as well as the country's parliamentary committees, ministries, social partners and other stakeholders.

The Constitution and law defines the aims, objectives and trends of vocational education and training. It states that the overall objective of initial training is to respond to the needs of young people for vocational education and training, to respond to the needs of the national economy for a skilled labour force and to provide the training and preparation of a new generation of the labour force.

The objectives of initial vocational education and training are:

- support the country's youth by raising their competitiveness on the labour market and creating social warrantees;
- meet adult demand for additional vocational training courses;
- provide training and retraining courses to increase employment prospects for everyone. The new legislation authorises vocational institutions to incorporate short-term training and retraining courses in skills upgrading for adults in additional vocational education programmes.

In order to achieve the above objectives, the legislation defined:

- the role of the state in initial training;
- the integral parts of initial training;
- the curricula available in initial training;
- the certificates available in initial training;
- the need to introduce state educational standards;
- the principles of on-the-job training/retraining for the upgrading of employees (the law authorises the following institutions: trade schools, vocational schools, vocational lyceum, special vocational schools, centres for skill upgrading, educational enterprises);
- the forms of initial training;
- the managing bodies and their responsibilities;
- the conditions for the operation of initial training institutions;

- the principles of decentralisation;
- the duties and responsibilities of education institutions;
- legal issues and social warrantees in the initial vocational education and training system;
- the right of ownership of education institutions;
- the financial criteria in the management of the institutions;
- the sources and new model for financing educational institution;
- the principles of educational-industrial and entrepreneurial activities of education institutions.

The state directs the training of young people (up to the age of 18) to trade schools and initial training institutions. However, employment offices, enterprises and individuals also manage such training.

The new programme on the reorganisation and operation of initial vocational education and training has been formulated and covers both the legal requirements and labour market demands.

Bearing in mind the socio-economic development of the country, the following vocational education and training priorities have been identified:

- support for international programmes involving skilled employees;
- support the priority sectors of the national economy with skilled workers.

The aim of vocational education is to train staff for the priority sector of the national economy (i.e. those sector which employ the majority of Georgian workers):

- transport, auto-transport;
- telecommunications;
- tourism;
- construction;
- agriculture and processing industry;
- trade and service.

The structural reform of vocational education and training is aimed at optimising and decentralising the school network. This involves:

- reforming the management of initial vocational education and training;
- defining the schools according to their main function - trade school, vocational school, vocational lyceum, etc.;
- completing the optimisation of the school network based on their location, catchment area, etc.

Currently, the optimisation of the school network involves:

- transferring those schools that are appropriate to regional or local demand;
- amalgamating some schools;
- making some schools self-financing; and
- transferring schools within the penal system from the Ministry of Education to the Ministry of Justice;
    - content reform (formulation of new standards and curricula);

- pedagogical support; (the term 'scientific methodological support' refers to the usage and provision of new standards, curricula and plans and methods);
- staff support to attract young teachers by introducing teacher training schemes including on-the-job training;
- improvements to the financial structure (such as the feasibility of multi-source financing, partial and normative financing, as defined by the law);
- improvement of equipment;
- entrenchment of social rights such as right of appeal for students and teachers.

The vocational and education training schools that remain under the authority of the Ministry of Education will be considered public legal entities as defined by the Law on Public Service. This new status will increase their independence and legal responsibilities.

The implementation of the programme on the reorganisation and operation of the initial vocational education and training system will result in:

- a decrease in the number of institutions under the Ministry of Education or financed by the state and, conversely, an increase in self-financing private institutions;
- a decrease in the number of students paid for by the state, thus more self-financing students or more students sponsored by enterprises (these students will eventually make up 50% of the total student intake);
- a decrease in the number of state entrants which means that they will be sponsored by the local or non-governmental sector;
- a decrease in the number of staff paid by the state. The majority of staff will be paid from the finances, paid following to the agreements (the number of staff will be dependent of the number of agreements and the salary will be paid according to the lessons
- the central budget would respond to the standards and norms and take into account increased wages, local budget costs and increased institutional incomes (according to the strategy, the state identifies the occupations necessary for the development of the country and pays for the training of people for these professions. The number of such students is still very low);
- more flexibility and the use of the employment service budget for the training or retraining of the unemployed. The Employment Foundation has chosen the programmes following calls for tender and implemented them at one of the vocational schools. These programmes mainly provide short-term retraining for the unemployed.

3.2 *Responsible bodies*

The Ministry of Education is responsible for initial training in the country. The education law also covers the various stages of vocational education and the range of education institutions and their independence from the state.

All but two of the initial training institutions are under the Ministry of Education. The two exceptions are under local government that is, they are financed by local budgets. This is indicative of the fact that all regions need vocational schools but most are unable to fund them. As such, the planned decentralisation of vocational education and training has not made much progress.

The vocational institutions for telecommunications, railways, gas, oil and lubricants are in the private sector. The new legislation has greatly increased the independence of the schools. While upholding state education standards they are responsible for staff recruitment, curricula and results.

The Education Law defines the responsibility of the Parliament, President, Ministry of Education, regional education offices, other ministries and local authorities for education in general and initial training in particular.

The following issues regarding initial training were discussed by the authorities and social partners:

- corporatism (trilateral agreement),
- definition of state order[1]
- financing of vocational education.

The trilateral commission is a permanent body with representatives from the government, trade unions and employers' union. The commission with its own charter was formed in accordance with the 1998 presidential decree on collective agreements and contracts. Its general goals are to:

- formulate socio-economic policy
- develop social partnership
- provide support for the regulation of collective labour conflicts.

The responding ministries are involved in the formulation of educational standards, curricula and occupations for which training is required. Once the plans have been approved, the Ministry of Education is responsible for their implementation.

The Ministry of Finance is responsible for formulating the state budget on vocational education and training after special approval from the Ministries of Finance, Economy and Education. It also prepares and presents the draft order for the training of employees to the President. The two crucial problems in vocational education and training are the financial resources and state order. In the case of the latter, the definition of the state order is in need of improvement as it is not based on the country's main development trends.

The Ministry of Education is responsible for adult education. However, neither the state nor the majority of the population is in a position to pay for training or retraining. Human resources have not been identified as a priority in Georgia. Like other former-Soviet countries, Georgia needs people skilled in computer literacy, foreign languages and entrepreneurship. Georgia's active labour force needs to take more initiative, be more self-confidence, be problem solvers, have adaptation skills and be able to access the huge information resources such as those available on the Internet. It is thus vital to upgrade the curricula to include new skills and competencies. The problem of relevant training and retraining is not just restricted to the young people of the country but to all its active population.

Currently, there are a number of government, non-governmental and private organisations that assist in the upgrading of computer skills but much more needs to be done.

Informal education in Georgia takes place in organisations such as 'youth houses' which offer sports, music, literacy, and other classes. They do not issue certificates or diplomas. Vocational education and training could encompass informal education through the establishment of regional

1 This is a normative act that identifies the occupations and number of specialists needed. Therefore only these students are financed from the state budget. According to the Law on Education, the Georgian state can fulfil these requirements in both state and private schools.

educational and consultative centres so adults and young people can have access to both education and advisory services.

While the idea of lifelong learning is not widespread in this country it is, in effect, the basis for human resource development and the foundation of a civil society.

The Ministry of Education and the Ministry of Labour have in recent years co-operated more closely. This move brought positive results and has the full support of the Georgian National Observatory. For example, in several regions the Employment Foundation has supported courses for the unemployed based on those in vocational schools. The occupations listed for training were selected to meet regional demands.

The employment system is currently being reorganised and when this has stabilised, more active co-operation is expected between the two ministries.

The Employment Foundation of Georgia finances training for the unemployed after tenders are invited, particularly for short-term courses for the regions.

The representatives of the Georgian National Observatory and the Ministry of Education participate in seminars for the formulation of standards with support from the European Training Foundation.

3.3 *Financing of vocational education and training*

The state was supposed to finance the initial vocational education and training institutions. However due to severe economic problems, it abrogated the underwriting of communal (utilities) and educational expenditure. This meant that the institutions had to draw on their own meagre income. Unsurprisingly, the vocational and education training system is currently in deficit.

In 1999, with the support of the Employment Foundation, the state financed only one programme out of five and even that was just for the staff's wages. The state halved its 1999 budget for vocational education and training compared to 1997 and could only meet one-third of the demand. The original plan was to double the funding for education. The budget is in deficit and in arrears for 57% of teachers' salaries. The expenditure on education of Gross Domestic Product is 0.27%. It has been 0.95% for the past three years. The share of initial vocational education and training in terms of Gross Domestic Product is now estimated at 0.02% (down from 0.03%).

Currently, the law on initial vocational education and training has defined financing as multi-source, partial and normative financing for the whole system.

Initial training institutions serve the requirements of the state, local and employment authorities as well as companies and individuals. The latter pay for training in specific occupations. But the main source of funding is from the state budget with local budgets, private contracts, the Employment Foundation and non-governmental sector providing additional income.

In 1999 local budgets paid about GEL 18,000 to these institutions. In 2000 the Employment Foundation paid GEL 111,000 for training. For 2000, income other than from the state budget increased to GEL 238,000 - an increase of GEL 27,000 from 1999. The major portion of this came from individuals and companies.

As can be seen, vocational schools are struggling to survive. The sources of financing as defined by the legislation are difficult to come by as a result of the difficult economic climate and insufficient support for vocational education and training. On-going reforms in the labour and education sectors, depressed economic conditions of local and regional authorities, little interest in financing

vocational training from employers and the general poverty of the population often exclude people or organisations from paying for training. All these act against the growth of vocational education and training. The vocational schools have tried to introduce new competitive courses that would appeal to people and improve education. Some of the schools have succeeded in doing this, others have closed down because state grants are inadequate and others have amalgamated for survival.

The retraining of the unemployed continues to some extent with contracts from the Employment Foundation for regional and local services. Vocational schools participate in the calls for tender put out by the Foundation and successful applicants organise retraining courses for the unemployed.

Chapter 4. The vocational education and training system

4.1 *Initial training*

Initial training is an integral part of the vocational and education training system in Georgia along with secondary, higher and continuing education. The structure of the initial training system has been changed and currently responds to the regulated standards (Table 11).

Table 11: Structure of initial training

International level		National level	Education programme	Basic general education	Length of study	Age
4	4A	4A (b)	Initial training on the basis of general education	General secondary education	1-2 years	17-19
3	3B		Initial training leading to general secondary education certificate	Secondary education	2-3 years	16-18
	3C	3C (a)	Initial training not leading to general secondary education certificate		2 years	16-17
		3 C (b)	Additional training (vocational training, retraining, skills upgrading)		Up to 10 months	No age limit
2		2(c)	Apprentice	Basic secondary education	2-3	14-15

In 1998, Georgia's Parliament approved the Law on Initial Training which defined the new trends of vocational education and training to cater for the country's new economic circumstances. This followed the latest report prepared by the Georgian National Observatory on the subject.

The law covers:

a) state educational standards and curricula of initial training;

b) initial training institutions supported by the state;

c) managing bodies of initial training institutions.

BEST COPY AVAILABLE

The number of vocational education and training schools financed by the state decreased from 1997 as a result of the optimisation of the school network, i.e. amalgamation or closure of some schools. This resulted in one vocational school for each region except the 12 high mountain regions.

The table below shows the decreasing number of state vocational schools in the country. (Table 12).

Table 12: Number of vocational schools

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Number of vocational schools	158	154	145	139	127	122	110	108	101	86
Of which in penal system	8	6	5	5	4	3	3	3	3	3

Note: 10 schools are self-financing
Source: Statistical data from the Ministry of Education of Georgia

The official language used in state education institutions is Georgian and for the autonomous republic of Abkhazia, Georgian and Abkhazian. It is mandatory for educational bodies to include the teaching of Georgian at all levels of education. However, on the recommendation of local authorities, the state provides support for the teaching in the native language for those whose native language is not Georgian.

One of the problems that Georgia faced in its transition from a centrally planned socialist economy to a market economy was its lack of preparation for the change. For the workforce this meant the change from the stability of state employment to the vagaries of the labour market. Vocational education and training can play a crucial role in helping people gain skills that will maximise employment opportunities in the new economic market. In order to achieve this goal, vocational education and training needs to do the following:

- change the mind-set of teachers and managers; international projects offer useful support for this aim;
- develop the teaching of economics and entrepreneurial skills for students. This depends heavily on curriculum reforms. A group of experts is currently developing the curricula for the "basics in entrepreneurship" which will be introduced as a subject for all vocational training;
- introduce the teaching of business subjects covering finance and banking, customs, commerce, etc., as these will be useful for those considering self-employment. Participation in international projects and cooperation with relevant organisations will support the formulation of new curricula for these subjects.

The law on initial training provides for the implementation of the following curricula in relevant institutions:

- An apprenticeship programme of one to two years following primary secondary education (6th class) was introduced. As compulsory education was reduced from 9th (basic secondary) to 6th class, the gap was filled by the apprenticeship programme. There are more children now than previously who are outside the education system because of the war and poor economic performance in the country. These are the street children, orphans and refugee children who receive support from the state. Some institutions with support from various international organisations, such as the Red Cross, provide apprenticeship training for these children. These activities reduce homelessness and crime and more such programmes should be encouraged.

BEST COPY AVAILABLE

- There are various forms of initial training programmes:

  a) one three to four-year programme takes place after the completion of basic secondary education (9th class) and includes the teaching of higher secondary core subjects;

  b) another one to two-year programme takes place after the completion of basic secondary education (9th class) but does not include the teaching of higher secondary education core subjects;

  c) there is also a six-month to two-year programme for those who have completed higher secondary education.

- Additional vocational and education training programmes include:

  a) a 10-month vocational education training programme irrespective of the level of previous education;

  b) a 10-month programme for training, retraining and upgrading skills of adults including the unemployed. This is a new role for vocational schools included in the legislation.

Additional vocational education and training was introduced to cope with the growing demand for courses on skills upgrading and training. All curricula comprise two parts; the first part is compulsory and standardised throughout the institutions and the second part is defined by the particular institution.

There is a choice between classroom teaching and external forms of study although the latter is still undergoing formulation by the Ministry of Education.

There are several institutions providing initial training courses.

a) *Apprenticeship institutions* provide apprenticeship programmes, initial training courses for core subjects in secondary education and additional programmes.

b) *Vocational institutions* provide initial training programmes and courses together with core subjects in secondary education as well as apprenticeship and other programmes.

c) *Vocational lyceums* provide vocational and general education programmes (awarding high qualifications), initial training programmes (without teaching core subjects in secondary education), apprenticeship and other vocational programmes. The lyceums act as sectoral or regional centres for vocational education, training and retraining. New contents and forms of study can be checked there.

d) *Special vocational institutions* provide apprenticeships and those initial and other training programmes for disabled and deviant children.

e) *Institutions within the penal system* provide apprenticeships, initial training, and other programmes for prisoners.

f) *Centres for vocational training, retraining and upgrading skills* also provide other programmes.

Georgia has three vocational education and training institutions within its penal system to help prisoners gain qualifications for jobs. This is to assist in their eventual reintegration into society when they leave the prison. Often the occupations the prisoners have been trained for have proved useful even when they were serving their term in prison.

The centres for vocational training are responsible for training the disabled and delinquents. These centres are located at the various employment service centres.

New legislation covering on-the-job training for workers requires factories to obtain a special licence before they can embark on any training programme unless they are conducted by initial training schools.

Students who complete their training course and have qualified in a specific skill receive one of the following certificates:

- Initial training diploma and Maturita certificate
- Certificate of apprenticeship or vocational education.

Students who have not completed or failed the training course are given a note acknowledging their attendance.

A student who has a diploma or certificate is in a better position to compete on the labour market. A Maturita certificate entitles the holder to continue studying at any higher education institution.

Components of vocational education in initial training schools include:

- Theory (special subjects)
- Practice
- Industrial training.

In 1999 the Ministry of Education's vocational education and training department and methodology centre decided on several permutations for the education programme. These include: content, length of course, number of lessons per week, length of vocations (it regulates when and how long the students study and the length of each vocation, etc), and the balance between theory and practice. Institutions have the flexibility to formulate their own education programmes provided these cover the Ministry of Education's basic requirements.

(During the first period of study students are taught core subjects, including language, basics of the profession etc. Later they study so-called specialised subjects, according to their specialisation).

An example can be seen in the three-year programme where core subjects form 40% (1560 hours/lessons) of the total period (4026 hours/lessons). A maximum of 2226 hours/lessons may be allocated for special subjects with 73% (1158 hours/lessons) taken up by practical training in laboratories, workshops, etc., and industrial training forming the remaining 27% (410 hours/lessons).

Initial training programmes include the teaching of core subjects. These are Georgian language and literature, mathematics, history of Georgia, world history, chemistry, biology, information technology, social studies, Russian language and literature, foreign language, physical education and basics of military training. All these subjects are compulsory for higher secondary education and have to meet national standards. Human rights is a topic covered in social studies and occupies a total of 10 hours (lessons) of subject time. Industrial training forms an average of 60% of the programme (varying between 55 and 65% depending on the institution).

There are special classrooms, laboratories and workshops for the teaching of special subjects. Theory is taught in the form of lectures or case studies. Georgia does not have an institution specifically dealing with vocational education and training. This makes it difficult to introduce new methods of evaluation for teaching practice, more effective methodology, etc. By default, the Georgian National Observatory is the only source of information for initial training in the country.

The schools teaching agricultural subjects own land for education purposes (as regulated by the law). Their workshops, however, contain outdated equipment in poor order and inadequate for teaching modern skills. One of the priorities of education reform is the updating of school and

workshop equipment. As for on-the-job and industrial training, this has its problems too as, during the transition period, many factories were privatised and not all private owners are co-operative about offering training placements for students.

All initial vocational education and training schools which follow the curricula and standards set by the state have the right to produce and sell items made during practical work and to keep the income. This is widely practised as a source of income since the schools often have meagre financial resources. Conversely, this is also a demonstration of entrepreneurial skills that students learn on the course.

There are 39 weeks in one school year for initial training institutions. Students have between 36 and 40 lessons a week depending on the age group. The number of hours (lessons) on industrial training is similar to the legal working hours for workers in the same occupation.

The number of schools teaching information technology is increasing albeit slowly. These schools have to buy their own equipment such as computers. In recent years, many vocational education and training schools have introduced information technology courses. Licensed, private computer courses are also available.

Currently, there are 74 private initial training schools with 71 operating on a course system and three on a vocational school system. Together they give training for 20 different occupations. Private schools are serious competitors with state schools for students as they have financial independence and better prospects for development. The Ministry of Education is responsible for licensing such institutions and there is some discussion on the possibility of treating vocational schools as business enterprises.

Some courses are conducted without approval (licences) from the Ministry of Education. Students attending such courses are unlikely to have their certificates (if any) officially recognised.

Vocational education and training has managed to sustain itself through such measures as rationalising the school network, supporting new higher standards and education reform, offering training relevant to market demands, formulation of sector and regional curricula, integrating vocational education and training with entrepreneurship, etc.

There are several problems that the vocational education and training system has to overcome.

- The need to create a flexible mechanism to adjust to changing labour market demands on vocational education and training and to establish co-operative links among social partners. The Georgian National Observatory has taken steps in this direction.
- Content reform (in close co-operation with social partners): introduction of modern technologies, labour economics, prospects for small business development and entrepreneurship.
- The need to change the mindset of a workforce brought up on socialist economics to that of a modernising market economy and associated changes in management and marketing.
- Introducing new methods of training or retraining of vocational teachers, new avenues for active partnership, vocational training for adults, on-the-job training, case studies, encouraging links between teachers in this country and those abroad. All these will help disseminate modern education practices.
- Introducing a modern evaluation system which includes self-evaluation.
- Renewing the educational and technical equipment of schools; promoting wider use of computers, Internet etc.

- Widening the sources for financing vocational education and training such as local authority, trade unions, social partners, etc.
- Training school managers in management.
- Lack of teaching materials in the Georgian language has been a severe impediment. For example, 14 textbooks for farming have yet to be published for lack of finance.

Vocational education and training in Georgia is stymied by insufficient state support, poor finances, few donor organisations and international projects, little interest from social partners and employers and inadequate research.

There is no donor organisation supporting initial training in Georgia. Partner organisations are the European Training Foundation and GTZ, the German technical cooperation agency. Georgia's partner country is Finland and its National Board of Education.

The Georgian National Observatory is the only organisation in the country that provides vocational education and training with material, information and links with relevant foreign organisations. It also provides opportunities to participate in international programmes. It receives material from the European Training Foundation. The Georgian National Observatory's role is crucial as there is no other national organisation working on these problems. Current education reforms do not include vocational education and training.

The Georgian National Observatory has played a vital role in building cooperation between the Ministry of Education and the Ministry of Labour (Employment Foundation). It initiated seminars on the labour market and vocational education and training problems. It supported the training and skills upgrading of vocational education and training specialists. It provided information and material on this subject area, helped formulate pertinent legislation and established contacts between colleagues and international organisations including donors.

4.2 *Continuing education and training of managers*

Georgia's education law upholds the right of its citizens to lifelong learning or continuous education. There are courses open to adults for training and upgrading of skills conducted by state-supported institutions as well as private ones. There are various international programmes for adult education but often these are not free.

Almost all sectors organise training courses for specialists. For example, as of 1999 there have been programmes for training/retraining and upgrading the skills for different categories of drivers organised by state and private vocational institutions. J/S Company "Sak Gas" (Georgian Gas) has made available its centre for training workers in this sector as have others in railway and communications. These centres provide on-the-job training, under the supervision of highly skilled specialists.

Training and upgrading courses for managers are organised by relevant ministries and organisations. For example, judges and their legal assistants have had to be retrained and to sit for exams. Tax inspectors have to attend courses on internal audit and certification. There are plans to establish a "high school of justice" with two-year courses for those working within the penal system.

Management courses which include contemporary teaching methods and evaluation have been organised in almost all sectors with the support of international programmes. Some of the management courses are conducted by high schools which may be state or private institutions. However, there is much room for improvement.

Modern teaching materials for managers should be interactive and reflect national and international realities. But the shortage of management textbooks in Georgian has impeded the dissemination of this information. Many companies have also not realised the need to train managers and as such demand for training in this area is weak. No market research has been conducted on this aspect. Internet and media products could be used more widely than now. At the same time, it is quite popular to train for the IT industry.

The central institute for the retraining and skills upgrading of teachers and secondary school managers is managed by the Ministry of Education. As it is a self-financing institute and under-resourced, it has a limited range of activities which do not improve its image.

Currently, management courses sponsored by the Ministry of Education have been organised by the centre for upgrading the skills of managers of initial and secondary vocational education and training institutes.

However, on-the-job training of teachers and vocational tutors (industrial teachers) have not been introduced when it is important that they receive training.

An indicator of the effectiveness of vocational education and training would be its ability to help the unemployed find jobs after training, the Georgian National Observatory initiated co-operation between central and regional employment offices and vocational schools. Vocational institutions have planned regional programmes for training and retraining the unemployed and these are being discussed with the State Employment Foundation. These plans have highlighted the following problems:

- inadequate or slow response to the needs of labour market;
- unemployment does not motivate people to attend training courses;
- vocational institutions are inexperienced in the retraining of adults and have not adjusted their methodologies to cope with mature students;
- teaching programmes should fit employers' requirements.

At present, there is a critical need to train employees in the trade and service sectors (particularly the restaurant trade) who comprise some 10.5% of the working population. The market research by SakStandard based on 500 companies in these two sectors reveal that employees in this sector need to attend short-term training or retraining and skills upgrading courses.

CIM, the German centre for international migration and development, has been approached for training co-operation in service and trade sector occupations. The project would include visits from German specialists, new teaching content, devising minimum educational requirements for jobs and a dissemination programme. A number of teachers will study the new teaching methods and will then disseminate the knowledge acquired among other groups.

The Ministry of Education is considering the introduction of training courses in entrepreneurship within initial training. This was stimulated by the fourth seminar on Entrepreneurship in Education and Training, but, for it to be incorporated into vocational education and training, state support is vital.

4.3 Training of teachers and masters

There are 1,673 teachers and vocational tutors (masters) for industrial training in Georgia employed in initial training. Of these, 80% (1, 338) have high school education and about 6% (110 teachers and masters) work in private vocational schools.

The steep drop in the number of vocational institutions and students has resulted in 25% fewer teachers (534) in 2000-2001 compared to the preceding year. The ratio of teachers to students 1 to 17 and for industrial subjects 1 to 11.

While the number of teachers in private vocational schools is increasing, some 25% of teachers and instructors are in state schools (17% teachers, 32% masters).

In 1998, the Ministry of Education granted the following teaching accreditation: 8.5% of teachers in initial training were placed in the first category, 44.1% in the second category and 11.4% in the third category. The accreditation process was poorly conceived with many shortcomings that need to be rectified.

As it stands vocational institutions find it difficult to recruit new young teachers because of the low wages. Thus there will be a problem of continuity when the present older teachers retire. The problem is compounded by the drain of highly skilled specialists from the vocational institutions to better paid jobs in other sectors.

There are several state and private teacher training schools in the country for training secondary school teachers. These high schools are independent although they follow the curricula provided by the Ministry of Education.

The College for Industrial Pedagogy trains teachers of specialised subjects and masters of industrial training for the initial training institutions. Teachers of core subjects are trained at Sulkhan-Saba Orbeliani Pedagogical University. There is no specific school for training teachers for initial training institutes. Industrial subjects are usually taught by the occupational specialists who have been trained in pedagogy.

The centre for upgrading skills of teachers and managers of initial and secondary education and training is theoretically in operation. But in practice, its specific programmes for skills upgrading and management have not been introduced for lack of financial resources.

The teachers' role has widened in the new economic environment, as they not only have to teach professional skills but professional culture as well. They need to work in closer co-operation with their students, develop their entrepreneurial skills and evaluate their professional knowledge. In other words, the teachers have also to teach the students how to access information independently, analyse information, solve problems and thereby show initiative. But these aspects of teaching are not part of the teacher training curricula. Teacher training is not linked to the current demands in the labour market. Part of the problem is poor financial resources which leads to a lack of equipment such as computers for students to work on. As education reforms are taking place, it is expected that the teaching content and quality will improve although results will not be immediate.

UNICEF is currently implementing a teacher-training programme on interactive teaching methods for private and state schools. But again, because of financial problems, the country is unable to introduce the new training methods in the initial training schools.

A bill on higher education is being discussion. When approved, it will regulate the higher education including pedagogical training to fit in with the new socio-economic conditions.

Chapter 5. Skills and standards

5.1 *Skill demands and standards*

The changes in initial training such as the decentralisation of the overall system and creation of the Georgian vocational education and training system entailed the need for new curricula and educational standards. However, without a research institute to collect data for assessing the specific requirements, it is difficult to develop vocational education and training in the country. The laws on education and initial training have only defined the educational standards. Input from seminars and workshops organised by the Georgian National Observatory are likely to result in such changes as a modular structure for vocational education.

A group of experts has also planned the modern structure of national education standards with feedback from Ministry of Education specialists, the scientific methodology centre (the latter closed down in 2001), teachers, school managers, psychologists and employers.

This plan will be assessed along with the market demand for specific occupations by specialists, teachers and masters. After the necessary amendments, the plan will have to be approved by the Ministry of Education before it is registered at the Ministry of Justice.

Vocational standards have already been elaborated for seven occupations:

- farmer
- driver
- hairdresser
- information technology operator
- electric/gas welder
- metal worker
- builder.

While working on the standards required labour market needs were also identified. Clearly, employers are interested in qualified skilled workers but often they have not realised that their input is necessary for developing these occupations.

Still under discussion are vocational standards for:

- secretary
- cook
- waiter/waitress
- bartender.

According to research conducted jointly with the Employment Service, there are new jobs on the labour market and thus an urgent need for modern programmes to train people for those jobs. There is no demand for occupations that were prestigious and popular several years ago. The Ministry of Education has begun formulating the new list of occupations. Teaching materials for these new occupations will be provided by the Georgian National Observatory and the European Training Foundation.

The Ministry of Education, the Employment Service and the Georgian National Observatory have recently formulated the mechanism for labour market monitoring. The aim is to link vocational education and labour market needs.

The final evaluation of students in vocational education and training is based on:

- examinations on core and special subjects;
- practical test;
- written work (case studies) assessed on individual or team basis.

However, the evaluation system needs to be improved. Tests in special subjects and practical work were only recently introduced.

5.2 *Curricula*

Educational standards apply only to the compulsory part of content. Educational plans define the mandatory subjects, balance between theoretical and practical subjects, length of study (weeks, lessons), exams in core subjects, etc. The programmes in all vocational institutes comprise the mandatory part of the curricula and their own additional parts. The formulation and content of the mandatory part of the educational programme have been described in the preceding chapter.

Institutions have the flexibility to shape their curricula to the needs of the customer, that is, the company or organisation that is paying for the training, provided the teaching meets a nationally accepted standard. Until its closure, the scientific methodology centre provided the expertise for drawing up programmes after consultations with high schools and relevant scientific institutes.

An example of a change in curriculum is that of electric and gas welders. Several years ago, electric and gas welders were needed for the country's pipeline project. But it soon became clear that the welders were not up to the standard required which is a reflection on the standard of their training. This meant that the curricula for the training of welders should be changed. "SakGaz" and "SakOil Product" supported this initiative of the Ministry of Education. A special group - comprising representatives from the Ministry of Education, "GeoGas", Ministry of Agriculture, Ministry of Construction, scientific institutions, vocational education and training schools and the Employment Services - was formed to work on this issue. The final standard required for the curriculum involved consultations with the Georgian National Observatory, the National Education Board of Finland and the special school in Laperaanta.

In agriculture, major changes have occurred with land now being privately owned. Agriculture now employs 53% of the working population. This has stimulated the development of agricultural knowledge and skills. The curriculum for agricultural studies for those wanting to be farmers has been formulated with material provided by the European Training Foundation. A special project prepared 14 textbooks but the programme was scrapped for financial reasons and the textbooks have not been published.

However, in parallel with the work above was the preparation of a questionnaire for a survey of farmers. Interviews with farmers on the skills required for their work are still continuing. The results will be compiled for feedback in the final version of the standard document. This will be presented at a seminar on the methodology of standards formulation organised for November 2001 with the support of the German technical cooperation agency.

5.3 *Research*

No research on vocational education and training has been conducted in Georgia. There is no institute specialising on this subject. There was a Vocational Education and Training Research Division at the Pedagogical Institute but it closed in 1993. In 2001, the scientific methodology centre of the Ministry of Education folded. The centre contained all the expertise on vocational education and training programmes and curricula.

There have been some studies by various scientific institutions but these studies are sporadic and do not really reflect strategic needs of vocational education and training. As the state is unable to finance research, this has impeded the development of vocational education and training.

Research on the relevance of vocational education and training for the labour market has only just started. The Georgian National Observatory, the Employment Foundation and the initial vocational education and training department of the Ministry of Education have begun research on the labour market. The research should cover:

- vocational education and training and the labour market;
- management of vocational education and training;
- co-operation between employers and vocational education and training;
- regional needs in vocational education and training;
- updated teaching methods in vocational education and training;
- formulation and introduction of vocational education and training standards;
- adult vocational education;
- skills formed during the learning cycle;
- finances of vocational education and training;
- lifelong learning;
- independence of vocational institutions.

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

NOTICE

Reproduction Basis

[X] This document is covered by a signed "Reproduction Release (Blanket)" form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.

[ ] This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").